

October 11, 2004

To: Teachers' Retirement Systems (TRS) Plan 3 Employers

From: Dave Nelsen
Assistant Director of Administrative Services

Subject: **TRS Plan 3 Contribution Rate Change Options**

Teachers' Retirement System (TRS) Plan 3 members will have an opportunity during the month of January to change their contribution rate option. TRS Plan 3 members wanting to initiate this change must complete the TRS Plan 3 Contribution Rate Change form and submit it to their employer by January 31, 2005.

This option is being offered according to provisions granted to TRS Plan 3 by the Internal Revenue Service (IRS). The contribution rate option members select should be considered binding and can only be changed when they change employers or during rate change windows as permitted by the IRS.

An article regarding contribution rate flexibility will be included in the quarterly *Plan 3 Reports* that accompany members' account statements. These reports will be distributed to members in mid-October with the self-directed account statements, and in mid-November with the WSIB account statements. Additional information about rate change flexibility will be included in the October *Washington State Retirement Outlook* newsletter. Members wanting additional information or a copy of the TRS Plan 3 Contribution Rate Change form should be directed to the TRS Plan 3 Web site at www.icmarc.org/plan3/trs/.

The TRS Plan 3 Web site will have detailed information and instructions for initiating this change. Members wishing to change their rate need to complete the TRS Plan 3 Contribution Rate Change form and return it to their employer during the month of January. Members will be directed to contact their employers if necessary to verify their current contribution rate option or to obtain a copy of the form.

TRS Plan 3 Contribution Rate Change Options

October 7, 2004

Please photocopy the attached form or print the form from the Internet

www.icmarc.org/plan3/trs/ as necessary. DRS will not distribute additional copies of this form to employers.

When processing contribution rate changes please be aware of the following requirements:

- TRS Plan 3 members are not required to change their contribution rate selection. A form should be completed for only those members who choose to change their rate selection.
- In order to change their contribution rate selection, the member must be employed in January 2005.
- The member must submit the form to the employer no later than January 31, 2005.
- If you receive a Contribution Rate Change Form from a SERS Plan 3 or PERS Plan 3 member, it should be returned to the member. The IRS has not yet granted permission to extend the contribution rate change window to SERS or PERS.

After verifying the above requirements, the employer should complete section 3, enter the member's new contribution rate into the employer payroll system, and mail the original signed form to DRS.

The employer includes the new rate option information on the next transmittal report based on the employer's payroll cutoff schedule.

If you have any questions regarding this information, please contact Employer Support Services at (360) 664-7200 or 1-800-547-6657, or e-mail us at DRSEmployer@DRS.wa.gov.

Attachment

Department of Retirement Systems

TRS Plan 3 Contribution Rate Change Form

January Rate Change Window

Return completed form to your employer.

Section 1: Personal Data - To Be Completed by Member____ _
Social Security Number*____ _
Last Name____ _
First Name____ _
Middle Name____ _
Maiden Name

*Internal Revenue Code Sections 6041 (A), and 6109 authorize the Department of Retirement Systems (DRS) to solicit your Social Security Number.

- The disclosure of your Social Security Number to DRS and its third-party record keeper is mandatory.
- DRS and its third-party record keeper will use your Social Security Number to ensure that any amounts disbursed under your account are properly reported to the Internal Revenue Service and as a reference number for tracking all data with regard to your retirement account.
- DRS and its third-party record keeper will not disclose your Social Security Number to any party unless required by law.

Section 2: Selection of Contribution Rate - To Be Completed by Member

| | | Base Rate | Additional Rate | Total Member Contribution Rate |
|-----------------------------------|------------------|-----------|-----------------|--------------------------------|
| <input type="checkbox"/> Option A | All ages | 5.0% | 0.0% | 5.0% |
| <input type="checkbox"/> Option B | Up to age 35 | 5.0% | 0.0% | 5.0% |
| | Age 35 to 44 | 5.0% | 1.0% | 6.0% |
| | Age 45 and above | 5.0% | 2.5% | 7.5% |
| <input type="checkbox"/> Option C | Up to age 35 | 5.0% | 1.0% | 6.0% |
| | Age 35 to 44 | 5.0% | 2.5% | 7.5% |
| | Age 45 and above | 5.0% | 3.5% | 8.5% |
| <input type="checkbox"/> Option D | All ages | 5.0% | 2.0% | 7.0% |
| <input type="checkbox"/> Option E | All ages | 5.0% | 5.0% | 10.0% |
| <input type="checkbox"/> Option F | All ages | 5.0% | 10.0% | 15.0% |

Place a check mark in the box next to the contribution rate option you choose. This rate change option is only available to members of the Teachers' Retirement System Plan 3, during the period of January 1-31. Contribution Rate Change forms submitted at any other time or for other retirement systems cannot be accepted. The contribution rate option you select should be considered binding and can only be changed when you change employers or during rate change windows as permitted by the Internal Revenue Service. **Return the completed form to your employer.**

Member Signature (required)_____
Date (required)**Section 3: To Be Completed by Employer**

Print or type employer name and mailing address below:

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Reporting Group

Employers - Mail the original of this document to:
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P.O. Box 48380
Olympia, WA 98504-8380
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Local: 360-664-7000